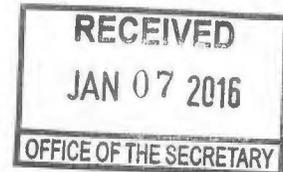


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**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING
File No. 3-16552**

**In the Matter of

Gedrey Thompson,

Respondent.**

**MEMORANDUM OF LAW IN SUPPORT OF THE
DIVISION'S MOTION FOR SANCTIONS
AGAINST RESPONDENT GEDREY THOMPSON**

**DIVISION OF ENFORCEMENT
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January 6, 2016

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I.

PRELIMINARY STATEMENT

The Securities and Exchange Commission's ("SEC") Division of Enforcement ("Division") respectfully submits this Memorandum of Law in Support of its Motion for Sanctions against Respondent Gedrey Thompson ("Thompson"), following the entry of the Court's November 19, 2015 Order Following Prehearing Conference, Finding Respondent in Default, and Directing Motion for Sanctions. The Division respectfully requests that the Court impose a collateral bar on Thompson.

In May 2010, the Commission filed a civil injunctive action against Thompson in SEC v. GTF Enterprises, Inc. et al., 10 Civ. 4259 (S.D.N.Y.) (RA) (the "Civil Action"), in the United States District Court for the Southern District of New York ("District Court"). The Commission's Complaint alleged that Thompson, while an unregistered investment adviser, and GTF Enterprises, Inc. ("GTF"), the investment company he incorporated and for which he had sole trading authority, violated the federal securities laws by conducting an offering fraud and operating a Ponzi scheme over a period of approximately five years. Thompson never responded to the Complaint and, on September 20, 2013, the District Court found him in default and permanently enjoined Thompson from future violations of the securities laws.

Based upon the entry of the civil injunction and the uncontested allegations of the Complaint, the Commission issued the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") and Notice of Hearing ("OIP") against Thompson in this matter. Thompson was served with the OIP by September of 2015, but has not filed an answer or otherwise responded to the allegations of the OIP within the required time; therefore, the Court found him in default.

Accordingly, the Division makes this motion for sanctions, pursuant to Section 203(f) of the Advisers Act. As set forth below, the record in this proceeding -- the uncontested allegations of the Complaint and the OIP (which the Court should deem true for purposes of this motion pursuant to SEC Rules of Practice Rule 155(a)), records from the Civil Action, and the Declaration of Cynthia A. Matthews in Support of the Division's Motion for Sanctions ("Matthews Decl.") and exhibits thereto, including records from a parallel New York State criminal action against one of Thompson's co-defendants -- demonstrates that sanctions against Thompson are appropriate and in the public interest. Specifically, given the risk Thompson poses to the investing public, the Division respectfully requests that the Court impose a collateral bar on Thompson from association with an investment adviser, broker, dealer, municipal securities dealer or transfer agent.¹

II.

PROCEDURAL BACKGROUND

A. The OIP

The Commission instituted this follow-on proceeding against Thompson on May 20, 2015. The Commission's Office of the Secretary attempted to serve Thompson by certified mail on that date, but the mailing was returned undelivered. Matthews Decl. at ¶4, Ex. 1. The Court held a telephonic prehearing conference on June 23, 2015, at which only the Division participated. *Id.* at ¶5, Ex. 2. At the hearing, the Division advised the Court that it had been unable to serve Thompson. *Id.* The Division further informed the Court that it wished to serve Thompson by alternative service in Jamaica, West Indies ("Jamaica"), Thompson's native country and the

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act") that amended Advisers Act 203(f) to provide for collateral bars. Pub. L. No. 111-203, 124 Stat. 1376 (2010).

location of his last known address. Id. The Division moved for permission to serve Thompson by alternative service and the Court granted that motion on July 16, 2015. Id. at ¶6, Ex. 3.

The Division served Thompson, as per the Court's order, by: (1) email, on August 6, 2015 and (2) publication of the OIP and a related Notice, once a week for four consecutive weeks, between August 20 and September 11, 2015. Matthews Decl. at ¶7, Ex. 4. Thompson's Answer was due by October 1, 2015, but Thompson did not respond to the Division's emails and did not file an Answer with the Court by that date. Id. at ¶8, Ex. 5. Accordingly, on October 6, 2015, the Court ordered Thompson to show cause as to why he should not be held in default. Id. Thompson did not respond to the Order to Show Cause. Id. Consequently, on November 19, 2015, the Court found Thompson in default, pursuant to Rule 155(a)(1)-(2) of the SEC Rules of Practice and ordered the Division to file a motion for sanctions. Id. at ¶9, Ex. 6. The Court notified Thompson therein that he could "move to set aside the default in this case" pursuant to Rule 155(b). Id. Thompson has not moved to set aside the default or otherwise responded to this proceeding. Matthews Decl. at ¶10.

B. The Commission's Civil Injunctive Action Against Thompson

The permanent injunction, upon which this administrative proceeding is based, stemmed from the Complaint. Matthews Decl., Ex.7. at ¶¶I – V (Complaint); OIP at ¶B.3. In sum, the Complaint alleged that: from 2004 to 2009, Thompson, while an unregistered investment adviser, and GTF conducted an offering fraud and Ponzi scheme, with the help of two others, Sezzie Goodluck ("Goodluck") and Dean Lewis ("Lewis"), in violation of the federal securities laws. Complaint at ¶¶1, 11; OIP at ¶B.3. Thompson failed to answer, plead or otherwise respond to the Complaint. Matthews Decl. at ¶12, Ex. 8. Accordingly, on September 20, 2013, the District Court entered the Default Judgment against Thompson: (1) enjoining Thompson from future violations of

Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder and Sections 206(1), 206(2) and 206(4) of the Advisers Act and (2) holding Thompson liable, jointly and severally with GTF, for disgorgement of \$584,457 in ill-gotten gains as a result of the conduct alleged in the Complaint, and prejudgment interest (of \$355,988.56) thereon.² *Id.* at ¶13, Ex. 9. Following an inquest before the Magistrate Judge on damages, the District Court issued an Opinion and Order Adopting Report and Recommendation in Part, specifically adopting the Magistrate Judge’s findings that a third-tier penalty was warranted, based on Thompson’s conduct as alleged in the Complaint. *Id.* at ¶14, Ex. 10. The Court imposed the maximum statutory penalty of \$130,000 against Thompson. *Id.* at ¶15, Ex. 11.

C. The State Court Parallel Criminal Case

The District Attorney’s Office for the County of New York filed criminal charges against Thompson, Goodluck and Lewis, in State of New York v. Gedrey Thompson et al., No. 02526-2010 (Sup.Ct., N.Y. County) in New York State Supreme Court, New York County, on May 20, 2010, the same date that the Commission filed its Complaint (“Criminal Action”). Matthews Decl. at ¶16, Ex. 12.

The Criminal Action charged Goodluck and Thompson each with two counts of grand larceny and two counts of securities fraud (one count of each with respect to each of two GTF investors) and one count of scheme to defraud. *Id.* Thompson was never arrested in connection with the matter; law enforcement records show that he left the United States in February of 2010 and has not reentered the United States since that time. Matthews Decl. at ¶17. An arrest warrant

² This disgorgement figure takes into consideration the restitution paid by one of Thompson’s co-defendants and monies returned to some investors during the course of the Ponzi scheme. *Id.*

was issued, however, and remains outstanding in the case against him. Id. Lewis, charged with securities fraud and grand larceny relating to the investors he referred to Thompson and GTF, pleaded guilty to felony securities fraud on October 5, 2010.³ Id. at ¶18, Ex. 13. Goodluck was convicted on February 9, 2011, of scheme to defraud, following a jury trial.⁴ Id. at ¶19, Ex. 14. At trial, several GTF investors testified as to the facts surrounding their investment with Thompson in GTF. Id. at ¶20, Ex. 15A-F.

III.

STATEMENT OF FACTS

A. Respondent

Thompson, 42, was last known to reside in Jamaica, West Indies (“Jamaica”). Matthews Decl. at ¶7, Ex. 4; OIP at ¶A.1. From at least January 2004 through May 2009, Thompson was the principal and sole shareholder of GTF, an investment company that he incorporated and for which he had sole trading authority and control. Id. at ¶11, Ex. 7 (Compl. at ¶¶13,14, ¶¶29, 30), ¶28, Ex. 20, ¶29, Ex. 21; OIP at ¶A.1. Thompson opened a bank account in GTF’s name, where he deposited, pooled and controlled investors’ funds. Id. at ¶11, Ex. 7 (Compl. at ¶¶23, 24), ¶30, Ex. 22, ¶31, Ex. 23; OIP at ¶B.3. Thompson made all investment decisions for those funds and did all of GTF’s trading through a brokerage account that he held in GTF’s name. Id. at ¶11, Ex. 7 (Compl. at ¶24), ¶29, Ex. 21; OIP at ¶B.3. At all relevant times, Thompson acted as an unregistered investment adviser, as defined by Section 202(a)(11) of the Advisers Act, to the GTF

³ The court sentenced Lewis to five years of probation and ordered him to pay restitution of \$31,793. Id. at ¶18, Ex. 13.

⁴ The court sentenced Goodluck to 364 days of imprisonment and ordered her to pay restitution of \$607,675. Id. at ¶19, Ex. 14.

investment fund and also to certain investors in that fund. Id. at Ex. 7 (Compl. at ¶61); OIP at ¶B.3.

B. Solicitation of Investors

Between January 2004 and April 2009, Thompson and GTF, with the assistance of Lewis and Goodluck, solicited at least \$800,000, from at least seventeen GTF investors. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶¶1, 17, 43), ¶12, Ex. 8, ¶14, Ex. 10, ¶31, Ex. 23; OIP at ¶B.3. Thompson solicited GTF investors by claiming that he would use their money to trade in options, futures, commodities or other securities on their behalf. Id. at ¶11, Ex. 7 (Compl. at ¶18), ¶22, Ex. 15; OIP at ¶B.3. Thompson represented to prospective investors that the GTF investments were risk-free, id., and guaranteed them a pre-determined rate of return. Id. at ¶ 11, Ex. 7 (Compl. at ¶ 18), ¶ 21, Ex. 16; OIP at ¶ B.3. Investors relied upon Thompson's verbal representations and the GTF brochure when they made their investments. Id. at ¶23. However, as set forth below, these representations were false.

Thompson also provided prospective investors with a promotional brochure that described GTF as an "investment management company," a "leverage company that day trade futures and stock options for a profit." Id. at ¶21, Ex. 16. According to the brochure, GTF specialized in a "risk-averse trading strategy" and was "miles ahead of other investment management companies" because it practiced "sound and careful investing" and "assume[d] all the trading risk." Id. at ¶11, Ex. 7 (Compl. at ¶2), ¶21, Ex. 16. However, the brochure's representations as to GTF's investment practices, assumption of risk and the prior experience of the GTF associates in the brokerage industry also were false. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶18-21), ¶21, Ex. 16.

To invest in GTF, investors wrote checks or wired funds to GTF that Thompson deposited and pooled into the GTF bank account. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶3), ¶12, Ex. 8,

¶24, Ex. 17, ¶31, Ex. 23. Investors signed a contract with Thompson and/or GTF that reflected the interest rate they were promised to receive on their investment. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶ 23), ¶ 25, Ex. 18.

C. Thompson's Misappropriation, Undisclosed Trading Losses and Fabricated Account Statements

Thompson deposited approximately \$821,707 in investor funds into the GTF bank account. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶¶25, 43), ¶12, Ex. 8; OIP at ¶B.3. However, rather than investing investors' money as he had represented to them, Thompson misappropriated hundreds of thousands of dollars for his personal use. *Id.* at ¶11, Ex. 7 (Compl. at ¶1, 3, 43), ¶31, Ex.23; OIP at ¶B.3. He withdrew at least \$465,000 in cash and transferred at least \$52,000 to his personal accounts. *Id.* at ¶11; Ex. 7 (Compl. at ¶1, 27), ¶31, Ex. 23; OIP at ¶B.3. He spent approximately \$15,000 on personal expenses such as trips, restaurants and private school tuition for his son. *Id.*⁵ Thompson misappropriated approximately \$613,360 of the \$821,707 he received from investors. *Id.*

Moreover, Thompson only invested a fraction of the investors' money and rather than trade that money with a "risk-averse" trading strategy, he conducted a risky options trading strategy, eventually losing all of the money he actually invested. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶25-26), ¶29, Ex. 21; OIP at ¶B.3. At various points, Thompson executed no trades on GTF's behalf and did not transfer money into GTF's brokerage account. *Id.* at ¶11, Ex. 7 (Compl. at ¶26), ¶29, Ex. 21). In 2006, Thompson transferred only \$13,500 to the brokerage account and executed two trades. *Id.* After October 2006, the GTF brokerage account balance never rose above \$62.00. *Id.* GTF never had a profitable quarter. *Id.*

⁵ Thompson returned \$208,347 of this amount to investors, resulting in ill-gotten gains of \$613,360. Matthews Decl. at ¶12, Ex. 8.

Nevertheless, to perpetuate and conceal the scheme, Thompson provided investors with false quarterly account statements that consistently showed an increase in the investors' account balances, proportionate to the interest rate reflected on their contracts. Matthews Decl. at ¶11, Ex. 7 (Compl. at ¶29-31), ¶26, Ex. 19; OIP at ¶B.3. Eventually, however, by approximately January 2009, GTF investors stopped receiving account statements from Thompson, and, concerned, tried to contact him to find out how their accounts were doing. *Id.* at ¶27. While some investors were able to reach Thompson once more after that time, most investors were not able to get their money back. *Id.* Thompson's misrepresentations caused significant financial loss to these investors. *Id.* at ¶11, Ex. 7 (Compl. at ¶40), ¶20, Ex. 15A-C, E-F, ¶27, Ex. 19.

IV.

ARGUMENT

Section 203(f) of the Advisers Act authorizes sanctions against Thompson. The factual record in this proceeding establishes that it is appropriate and in the public interest to impose such sanctions. As Thompson is in default, the Court may deem the allegations of the OIP. SEC Rules of Practice, Rule 155(a). The Court can also rely on the allegations of the Complaint that provide the basis of the Default Judgment. *Corbin Jones*, ID Rel. No. 568, 2014 SEC LEXIS 621, at *4 (February 21, 2014) (citations omitted). These allegations, together with the additional uncontested evidence submitted in support of this motion, establish that Thompson's misconduct was egregious. Accordingly, the Division believes a collateral bar is the appropriate sanction for Thompson.

A. The Factual Record Supports The Imposition of Sanctions

Section 203(f) of the Advisers Act authorizes the Commission to bar an individual: (1) "associated, seeking to become associated, or, at the time of the alleged misconduct, associated or

seeking to become associated with an investment adviser” from being associated with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, if (2) the person has been enjoined from engaging in or continuing any action, conduct or practice in connection with the purchase or sale of any security as provided in Advisers Act Section 203(e)(4) and (3) such a bar is in the public interest. 15 U.S.C. § 80b-3(f).

1. Thompson was an Investment Adviser

An investment adviser is a person or an entity “who, for compensation, engages in the business of advising others ... as to the ...advisability of investing in, purchasing, or selling securities....” 15 U.S.C. § 80b-2(a)(11); Goldstein v. SEC, 451 F.3d 873 (D.C. Cir. 2006). The adviser need not be registered. Martin A. Armstrong, IA Rel. No. 2926, 2009 SEC LEXIS 3159, at *8 n.7 (Sept. 17, 2009) (founder, chairman and owner of unregistered investment adviser subject to Commission jurisdiction under Section 203(f) of the Advisers Act), citing Teicher v. SEC, 177 F.3d 1016, 1017-18 (D.C. Cir. 1999); Gary M. Kornman, IA Rel. No. 2840, 2009 SEC LEXIS 367, at *19 (Feb. 13, 2009), pet. denied, Kornman v. SEC, 592 F.3d 173 (D.C. Cir. 2010) (respondent sole managing member of unregistered hedge fund’s general partner was associated person of an investment adviser and subject to Commission jurisdiction under Section 203(f) of the Advisers Act) (citations omitted).

Thompson was an unregistered investment adviser at the time of his misconduct. Thompson advised the GTF investment fund and certain investors in that fund how to invest their money. As detailed above, Thompson represented to GTF and the GTF investors that he would invest their funds in securities, and investors relied upon Thompson to manage and invest their money. Thompson explained his investment strategy to investors through the GTF brochure and

issued bogus statements regarding the value of their investments. Thompson maintained exclusive control over investor funds, including money in the GTF brokerage account and bank account, and made all investment decisions. See e.g. Abrahamson v. Fleschner, 568 F.2d 862, 870 (2d Cir. 1977) (holding that “persons who manage[] the funds of others for compensation are ‘investment advisers’ within the meaning of the statute”); SEC v. Haligiannis, 470 F. Supp. 2d 373, 383 (S.D.N.Y. 2007) (quoting Abrahamson); SEC v. Saltzman, 127 F. Supp. 2d 660, 669 (E.D. PA. 2001). Thompson invested certain of the investors’ money for profit but misappropriated a significant portion of the investments. Thompson’s misappropriation of client funds for his personal use constitutes compensation for investment advice. See e.g. Ira William Scott, IA Rel. No. 1752, 1998 SEC LEXIS 1957, at *3 (Sept. 15, 1998); Alexander V. Stein, IA Rel. No. 1497, 1995 SEC LEXIS 3628, at *8 (June 8, 1995) (concluding that investment adviser “received the requisite compensation for his services when he subsequently diverted certain of these [investor] funds for his personal use”). Accordingly, Thompson was engaged, for compensation, in the business of advising others on investing in securities and was an unregistered investment adviser.

2. Thompson’s Civil Injunction Forms the Basis for a 203(f) Bar

The Default Judgment enjoined Thompson from violations of certain of the antifraud and registration provisions of the federal securities laws. See supra pp. 3-4. Pursuant to section 203(e)(4) of the Advisers Act, the District Court’s injunction provides a statutory basis to impose a collateral bar on Thompson. 15 U.S.C. § 80b-3(e)(4).

B. A Collateral Bar Against Thompson is Appropriate and in the Public Interest

The record here establishes that it is in the public interest to impose a collateral bar on

Thompson from association with an investment adviser, broker, dealer, municipal securities dealer or transfer agent.⁶

In determining whether administrative sanctions are in the public interest, the Commission considers the factors enumerated in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981):

the egregiousness of the respondent's actions, the isolated or recurrent nature of the infraction, the degree of scienter involved, the sincerity of the respondent's assurances against future violations, the respondent's recognition of the wrongful nature of his conduct, and the likelihood that the respondent's occupation will present opportunities for future violations.

Ross Mandell, 2014 SEC LEXIS 849, at *5-6 (citations omitted). The inquiry is a flexible one and no one factor is dispositive. Id.

Conduct that violates the federal antifraud provisions should be “subject to the severest sanctions” and ordinarily it will be in the public interest to bar a respondent who has been enjoined from violating such provisions from participation in the securities industry. Daniel Imperato, Exchange Act Rel. No. 74596, 2015 SEC LEXIS 1377, at *18-19 (Mar. 27, 2015); see Peter Siris, Exchange Act Rel. No. 71068, 2013 SEC LEXIS 3924, at *23 (December 31, 2012) (same).

A collateral bar is the appropriate sanction for Thompson here. First, Thompson's fraudulent conduct was egregious. As an investment adviser, Thompson owed a fiduciary duty to

⁶ The fact that Thompson's fraudulent scheme began before the Dodd-Frank Act amendments became effective does not preclude this Court from imposing the collateral relief the Division seeks. See Ross Mandell, Exchange Act Rel. No. 71668, 2014 SEC LEXIS 849, at *3-4 (March 7, 2014) (“collateral bars are available as prospective remedies under the securities laws and are not impermissibly retroactive.”). The Division does not seek a municipal advisor or rating agency bar in light of the decision in SEC v. Koch et al., 793 F.3d 147, 157-58 (D.C. Cir. 2015) (holding bars from association with municipal advisors or nationally recognized statistical rating organizations cannot be imposed retroactively where violations occurred pre-Dodd Frank Act).

the GTF fund, which he breached when he (1) solicited investors with false claims of a “sound and careful investing” strategy, a risk free investment and a guaranteed return on their investment; (2) provided false account statements to investors, reflecting consistent but false increases to their account balances; (3) misappropriated the majority of investors’ money; (4) lost the rest through an options trading strategy, by nature high risk, despite having promised investors that their investments were risk free and (5) used the false account statements to mask his misappropriation of investors’ funds and trading losses. See Alfred Clay Ludlum, III, IA Rel. No. 3628, 2013 SEC LEXIS 2024, at *26-28 (July 11, 2013) (breach of fiduciary duty constitutes egregious behavior); James C. Dawson, IA Rel. No. 3057, 2010 SEC LEXIS 2561, at *8 (July 23, 2010) (same). In addition, the District Court held Thompson jointly and severally liable for disgorgement of almost \$600,000 and third tier penalties of \$130,000, also a reflection of the egregiousness of his conduct. See Delsa U. Thomas, ID Rel. No. 705, 2014 SEC LEXIS 4181, at *22 (Nov. 4, 2014) (disgorgement of \$750,000 and third-tier civil penalty of \$150,000 in underlying civil injunctive action reflected egregiousness of misconduct).

Second, Thompson’s conduct was recurrent and not isolated: Thompson defrauded at least seventeen investors over a period of approximately five years through his fraudulent scheme. See e.g., Stephen L. Kirkland, ID Rel. No. 875, 2015 SEC LEXIS 3583, at *17 (Sept. 2, 2015)(misconduct involving at least ten investors and occurring over at least a two year period found to be recurrent and not isolated).

Third, Thompson’s conduct demonstrates a high level of scienter. Thompson falsely claimed, through the GTF promotional brochure he distributed, correspondence with investors and in person, that: (1) investment in GTF was risk-free; (2) GTF assumed all of the trading risk and (3) the GTF investors would receive a guaranteed, predetermined rate of return on their

investments, knowing that he would be using a high-risk trading strategy and misappropriating money from investors and therefore that he could not guarantee investors' investments or their rate of return. Stephen L. Kirkland, 2015 SEC LEXIS 3583, at *17 (investment adviser who had no basis for making statements to investors "necessarily knew he was lying to them.") (citations omitted); Jeffrey L. Gibson, IA Rel. No. 2700, 2008 SEC LEXIS 236, at *12 (Feb. 4, 2008) (high degree of scienter evinced where investment adviser's PPM's representations as to use of proceeds were misleading and his actions were contrary to representations). Thompson's scienter is also demonstrated by the fact that he generated and distributed false account statements to investors to cover his fraud and perpetuate the façade that GTF investors were making money. Id. Finally, the third-tier civil penalty imposed on Thompson in the underlying Civil Action indicates a finding that he acted with scienter. See Delsa U. Thomas, 2014 SEC LEXIS 4181, at *23 (Nov. 4, 2014).

Fourth, as Thompson has failed to appear, answer or otherwise respond to the OIP or the Commission's Complaint, he has made no assurances that he will not commit future violations. By failing to appear, he has never acknowledged or accepted responsibility for his fraudulent conduct. A respondent's failure to recognize the wrongfulness of his actions raises serious concerns about the likelihood that he will commit future violations. See e.g., Herbert Steven Fouke, ID Rel. No. 660, 2014 SEC LEXIS 3095, at *19 (August 29, 2014) (bar imposed on defaulted respondent who failed to appear in follow on administrative proceeding and therefore failed to offer assurances against future violations or acknowledge wrongful conduct). The fact that Thompson appears to have fled the U.S. to avoid arrest and/or litigation of this matter, indicates that he has failed to recognize the wrongful nature of his conduct.

Thompson operated a Ponzi scheme and offering fraud over a period of over five years, defrauding at least 17 investors of over \$600,000. He has failed to make any assurances that he

will not commit future violations and has made no acknowledgment or taken responsibility for his fraudulent conduct. Any opportunity Thompson has to work again in the securities industry presents opportunity for future violations and poses a threat to the investing public. Tzemach David Netzer Korem, Securities Exchange Act Rel. No. 70044, 2013 SEC LEXIS 2155, at *23 n. 50 (July 26, 2013) (citations omitted) (“the existence of a violation raises an inference that” the misconduct will occur again). A collateral bar against Thompson is appropriate and in the public interest. Accordingly the Division respectfully requests that the Court impose a collateral bar on Thompson.

V.

CONCLUSION

For the reasons set forth above, the Division respectfully requests that the Court collaterally bar Thompson from association with an investment adviser, broker, dealer, municipal securities dealer or transfer agent.

January 6, 2016

Respectfully submitted,



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CERTIFICATE OF SERVICE

Administrative Proceeding File No.3-16552, In the Matter of Gedrey Thompson

On this 6th day of January, 2016, I hereby certify that I caused to be served true copies of the Division of Enforcement's Motion For Sanctions Against Respondent Gedrey Thompson, Memorandum of Law in Support and the Declaration of Cynthia A. Matthews, dated January 6th, 2016, in the above captioned case, to each party, and in the manner, listed below:

Office of the Secretary
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549

Via UPS and Facsimile (202)772-9234

Honorable James E. Grimes
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E. Mail Stop 2557
Washington, DC 20549-2557

Via Email


Cynthia A. Matthews